BOMBAY ACT No. XXII OF 1954.[1]

[THE BOMBAY STATE GUARANTEES ACT, 1954.]

[*8th April 1954*]

An Act to fix the limit up to which the executive power of the State shall extend to the giving of guarantees and to provide that the expenditure incurred under any guarantee shall be charged on the Consolidated Fund of the State.

WHEREAS it is expedient to fix the limit up to which the executive power of the State Government shall extend to the giving of guarantees ;

AND WHEREAS the Legislature of the State, by clause (1) of article 293 of the Constitution of India, has been empowered to fix such limit by law ;

AND WHEREAS it is also expedient to provide that any expenditure incurred under any guarantee given by the State Government under the said article 293 shall be charged on the Consolidated Fund of the State ; It is hereby enacted as follows :—

Short title and commencement.

1. (*1*) This Act may be called the Bombay State Guarantees Act, 1954.

(*2*) It shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint.

Fixation of limit up to which State may give guarantees and charge of such guarantees on Consolidated Fund of the State.

2. (*1*) The limit up to which the executive power of the State Government shall extend to the giving of guarantees (including the guarantees given before the commencement of this Act) as provided in clause (1) of article 293 of the Constitution shall be the sum of Rs. 30,00,00,000.

(*2*) Any expenditure incurred by the State Government for fulfilling any guarantee given by it within the limit specified under sub-section (*1*) shall be charged on the Consolidated Fund of the State.

(*3*) The State Government shall lay before both Houses of the State Legislature—

(*a*) a statement of any guarantee given as soon as may be after it is given ; and

(*b*) within one month after the end of any financial year in which any guarantees so given are in force, an account of the total sums, if any, which during that year have been either issued out of the Consolidated Fund of the State or paid in or towards repayment of any sum so issued.

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[1] For Statement of Objects and Reasons *see Bombay Government Gazette*, 1954, Part V, p. 14.